



# Marketing Comparison between Luxury Brands and Everyday Brands

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**Abstract.** By carrying out accurate market development and determining the correct brand positioning, the brand can occupy a place in the fierce market competition. Brands in the market can be roughly divided into luxury and everyday brands. Hopefully, the market analysis in this paper will enable readers to understand and distinguish the marketing differentiation between luxury and everyday brands and the reasons for it. Both types of brands have specific consumer groups. This paper compares the similarities and differences between luxury brands and everyday brands to find the most suitable marketing strategy for these two types of brands. The research results show that although the market strategies of luxury brands and everyday brands show different degrees of coincidence and similarity, for example, both brands focus on customer marketing, brand image building and product distinctiveness in actual market consumption activities to meet different types of life needs, people tend to choose different types of product brands. People choose luxury brands for personal and symbolic meanings and everyday brands for practical and functional meanings. Therefore, luxury brands pay more attention to the symbolism and innovation of products, while ordinary brands pay more attention to the functionality and practicality of products. This paper may offer some references for companies with their brand building and market expansion.

**Keywords:** luxury brands; everyday brands; marketing comparison; marketing strategy

## 1 Introduction

In the era of underdeveloped production, people consume products. When material supply exceeds people's needs, consumers have more choices, and brands are born. Famous brand expert David Ake believes that a brand is a connection and communication between products, conformity, people, enterprises and consumers, and it is a comprehensive structure that involves all aspects of communication between consumers and brands [1]. Luxury brands, as the name suggests, are brands that serve luxury goods. In commodity classification, luxury brands are often unique, constantly setting up a personalized banner, showing beauty from appearance to quality, distinguishing them-

selves from everyday commodities, and occupying the top position in the brand classification, creating a sense of distance from the public. It makes most people unattainable, maintains the superiority of luxury owners, and enjoys a special market and a high social status. Brand marketing means that companies can touch the emotional needs of target groups through brand building, thereby obtaining higher sales revenue [2]. Suppose a brand aims to be the first choice for consumers' purchasing needs. In that case, it should be positioned appropriately, thus obtaining a position in the minds of consumers to show its difference. Therefore, luxury brands and everyday ones usually conduct different marketing strategies according to their brand positioning to obtain expected profits. This paper uses the comparative analysis method to explain the similarities and differences of marketing strategies for luxury and everyday brands, hoping to offer some references for companies with their brand building and market expansion.

## **2 The marketing similarities between luxury brands and everyday brands**

### **2.1 Customer marketing strategy**

Technological progress and economic globalization make the competition among enterprises more and more fierce. Consumer behavior is becoming more and more personalized and diversified. A large buyer's market allows consumers to have more choices, and they are no longer accommodating companies. All of these factors force companies to change from focusing on the market to focusing on customers, treat each customer as a segmented market, and provide products and services according to the needs of each customer.

Luxury and everyday brands focus on consumers' preferences and satisfaction. The development of the information industry and the widespread use of the Internet, especially the rapid rise of e-commerce, have made all this possible. These factors have prompted luxury and everyday brands to shift their marketing activities from market-centric to customer-centric and from marketing to customer marketing. Customer marketing is a concept that emphasizes customer-centricity and achieves corporate goals by satisfying customer needs and gaining customer loyalty. The luxury and everyday brands regard each customer as a separate market segment and design and produce products according to the specific needs of customers to meet the specific needs of each customer.

Customer marketing includes all corporate activities starting from customer needs, linking with customer satisfaction, and ending with customer loyalty. In the concept of customer marketing, both luxury and everyday brands provide unique products and services for each customer's individual needs, expand business opportunities, provide a broader space for enterprise development, and enhance the competitiveness of enterprises.

Customer needs are specific or abstract, explicit or implicit wishes and requirements put forward by customers. Luxury and everyday brands establish a mechanism to ac-

curately and timely obtain customer demand information. Unless under special circumstances, customers will not take the initiative to go to the enterprise to put forward their wishes and requirements. It is also impossible for enterprises to collect customer demand information from house to house. Therefore, both two types of brands conduct online marketing through the Internet. The Internet is the most convenient and potential channel for connecting enterprises and customers. Some customers publish their demand information through the Internet and wait for the company to respond. Enterprises also establish a special demand information collection platform for customers to log in and publish demand information.

The ultimate goal of enhancing customer satisfaction is to increase customer loyalty. Customer satisfaction is only an attitude, and customer loyalty is indeed a purchase behavior, representing a brand's long-term profitability. Customer satisfaction does not equal customer loyalty, and customers can only show their loyalty after multiple purchases of products and services. Customer satisfaction is the basis of customer loyalty. Customer loyalty is the sublimation of customer satisfaction. Therefore, luxury and everyday brands try their best to promote the transformation of satisfied customers into loyal customers to achieve the long-term profitability of the enterprise.

Many well-known brands have adopted the concept of customer marketing and become the market competition leader. For example, China's national brand Haier has produced left-door refrigerators according to customer needs and washing machines that can wash potatoes, peel potatoes, make ghee, etc. In addition, the Japanese high-end brand Panasonic Bicycle Co., Ltd. customizes bicycles for customers according to customer needs.

## **2.2 Brand image strategy**

Brand image is comprehensive content to measure the brand, which needs to be analyzed from different angles. As the personality characteristic of a brand in the market and in the minds of the public, the brand image reflects consumers' evaluation and cognition of the brand.

Some studies compare the relationship between consumers and brands to interpersonal relationships and believe that brand relationship is the interaction between consumers' attitudes toward brands and brands' attitudes toward consumers [4]. Consumers establish and maintain a relationship with a brand to obtain sufficient benefits from the relationship to meet their physical or psychological needs. Instead of simply seeing a brand as a tradable target, consumers see a brand as an active, contributing relationship partner that can bring benefits to consumers. Emotions and feelings are the basis for establishing a relationship between consumers and brands [5]. Therefore, emotional benefits are an important relationship benefit content that needs to be established between consumers and brands.

According to the theory of symbolic interaction, the symbolic meaning of a brand can guide consumers to shape their social roles. When consumers lack knowledge about their social roles, they will increase their self-awareness of their social roles through external information and clues [6]. A brand is a way of projecting consumers' self-image, representing different personality characteristics, and is a symbol of consumers'

self-knowledge. When the symbolic meaning of a brand matches the consumer's self-concept, consumers tend to choose the brand and are willing to establish and maintain a relationship with the brand.

Therefore, luxury and everyday brands tend to build up their positive brand image to attract more consumers. If a company sets up a negative brand image, consumers will separate from this brand. For example, on November 21, 2018, Italian luxury brand D&G held a brand show in Shanghai, but it was revealed that its designer had published comments on social networking sites suspected of insulting China, causing controversy. Many celebrities voiced their boycott, and Chinese models stopped performing in the DG show. Taobao and other e-commerce platforms have said that they do not accept orders for the time being. The brand's actions reflect a kind of arrogance. In contrast, the Chinese everyday sports brand Erke interprets the nation's righteousness most vividly. On the occasion of the Henan flood in 2021, Erke Group announced a donation of 50 million materials, which instantly detonated the Internet. Compared with the cheers of other companies when they donated money, Erke's action is particularly distressing because its annual revenue was only 7.8% of Anta's, and it lost 220 million directly in 2020. The situation of the company is extremely pessimistic. The public is concerned about enterprises' generous donations, which further highlights the difficulties and righteousness of Erke. Even rarer is that Erke does not intend to market its brand through donation, but the consumers will never neglect any responsible company.

### **2.3 Product distinctiveness strategy**

Product distinctiveness refers to the ability of a brand's product attributes to be perceived by consumers to be different from competitors. It reduces product substitutability, maintains corporate cash flow, increases the company's market share, and resists competitors' influence [7]. Some studies have found that highlighting the distinctiveness of a certain element in a product can reduce the risk of new products being launched on the market [8]. Therefore, giving products distinctiveness has become important to building brand equity.

In addition, products with uniqueness can meet the unique needs of consumers. Consumers tend to choose distinctive products rather than popular ones to meet their unique needs when making a product selection. According to the uniqueness need theory, people think it is unpleasant to have a strong similarity with others, and they will try to distinguish themselves from others and seek to be different from themselves so as not to lose their self-identity [9]. The uniqueness of products helps to meet the unique needs of consumers, making consumers feel that they are unique and separate from the public, which can meet the unique needs of consumers [10].

Studies have shown that companies can promote product differentiation and improve product distinctiveness by giving key product elements independent brand names [11]. Enterprises adopting the element brand strategy can not only improve the uniqueness of the product and obtain a competitive advantage under the element brand's effect on the product's key attributes but also guarantee the product quality by virtue of the influence of the element brand in related fields. For example, Giant road bikes with Shimano brakes and Coca-Cola's Diet Coke with Newt's Healthy Sugar are examples of products

that use element brands to make their products unique. With the intensification of market competition, element brand suppliers have begun to realize that element brands not only play a role in the game relationship with finished product manufacturers but also can influence consumers and strengthen the demand viscosity of finished product manufacturers for factor brands by implementing branding in the end consumer market. For example, Intel Corporation provides subsidies for computer manufacturers, so that element brand information such as "Intel Inside" can be exposed simultaneously in the products and advertisements of finished brands. Another example is the tire company Michelin launched services such as Michelin travel guide and restaurant ratings to establish an independent relationship with consumers, linking to finished brands. In marketing practice activities, the relationship between consumers and brands is often connected and strengthened through marketing communication, and the relationship between them is also similar to interpersonal relationships [12]. The communication method between brands and consumers has a profound impact on consumers' brand perception and consumption decisions of consumers. An anthropomorphic marketing communication strategy is often a way to allow consumers to quickly accumulate brand knowledge and establish an intimate relationship between consumers and brands [13]. On the other hand, element products are often hidden in the final product, and it is difficult for consumers to understand the parameters and technical information of element brands and even feel "unfamiliar" with element brands. Through anthropomorphic methods, the knowledge of factor brands is transmitted to consumers so as to reduce consumers' unfamiliarity with factor brands. It can make consumers feel close to the element brand, thereby prompting consumers to form a positive attitude and evaluation of the element brand.

### **3 The marketing differences between luxury brands and everyday brands**

#### **3.1 Symbolic values versus functional value**

Keller once proposed that the value of a brand includes three parts: functional value, symbolic value and experiential value. Among them, functional value refers to the functional value of products that consumers pay attention to, symbolic value refers to consumers taking the brand as a symbol of their power, status and wealth, and experiential value refers to the psychological experience people get when they consume a product or service of a certain brand [14].

The symbolic meaning brought by luxury brands is high visibility and differentiation. A brand's most visible and differentiated representational value is most commonly in luxury goods, such as sky-high watches, luxury real estate and cars, jewelry, one-of-a-kind collections, etc. To characterize a brand's high visibility and value for differentiation, merchants cannot mass-produce related products, as scarcity is a necessary element of such brand values. From the perspective of external differentiation, brand differentiation represents people's desire to represent differentiation. For example, people

buy limited edition or customized clothes to not be the same as others. From the perspective of internal novelty, brand differentiation represents a different experience from the consumer's previous experience, and people are often willing to pay a high price for "the first time", "premiering", and "first show".

From its birth, the development of luxury goods to the present and the future changes reflect its high quality, advanced and unique, and the promotion of luxury brands must not go against it. Table 1 below shows the classification of luxury goods.

Therefore, to effectively enhance the influence of brand communication, luxury brands prefer to use celebrity effects to communicate with consumers. Celebrity popularity and social influence can play a better communication effect. The Celebrity effect is a manifestation of the social effect produced by celebrity popularity, and the good publicity effect can be produced through the rational application of the celebrity effect. With the increasing variety of advertising communication, celebrity effects as a way of brand communication have become the main choice for many luxury brands. Celebrities have a certain degree of credibility, which can deepen the brand recognition impression, create a unique brand personality, enhance the credibility of the product, and be more recognized by consumers. At the same time, consumers may be driven to buy products endorsed by a star because of their admiration for a certain star.

In the process of choosing two or more of the same or similar products, consumers tend to consider choosing to buy products with celebrity endorsements or with celebrity endorsements more familiar to the public. When promoting products, consumers generally believe that the use of celebrity endorsements for products and brands in advertisements and promotions can help people better understand the brand and increase their attention to its brand. Also, celebrities with a high reputation also guarantee brand and product quality, which can increase consumer trust.

For example, in the marketing process of Korea Amore Company entering the Chinese market, the main marketing method used by the company is to endorse the products through famous Korean stars, such as actors in Korean TV plays, so as to attract the attention of consumers and achieve the product's popularity. In daily life, some products endorsed by celebrities can use the faces of celebrities for promotion so as to quickly and effectively attract the attention of consumers and let more people know about the brand. Therefore, Amore makes use of the special appeal and influence of celebrities and the promotion of celebrity endorsements to make the advertising effect more eye-catching and help people associate the product itself with the celebrity. In this way, it can effectively enhance brand awareness, strengthen the corporate image, and promote the purchase behavior of consumers, so as to increase the sales of products, truly create greater economic and social benefits for the company and the enterprise, and help the enterprise establish long-term and stable competition.

**Table 1.** Classification of luxury goods [original by author]

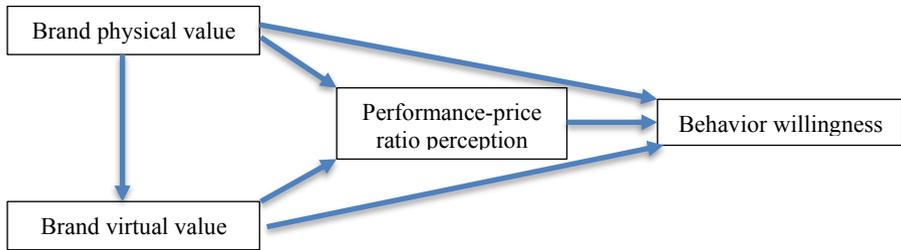
Past	Nowadays
classic dimension	fashion dimension
history and culture	innovation
craft secrets	advanced technology

pure origin	global reputation
excellent quality	unique design
noble	tailored
scarcity	limited edition

By contrast, everyday brands pay more attention to functional value. For example, Xiao Mi company, as a representative of middle and low-end products, is considered the highly cost-effective mobile phone with the most affordable price for Xiaomi. There is no other effective word-of-mouth and reputation that is too special for the brand because most ordinary consumers consider factors such as super cost-effective and super-friendly prices when purchasing smartphones, which is also in line with Xiaomi's brand value and consumer expectations. But countless consumers spend tens of thousands to buy high-end mobile phones from Apple and Huawei because they believe that the product's symbolism is far more important than its function. Generally speaking, consumers who buy high-end mobile phones have higher consumption levels, are willing to pay premiums for new technologies and brands, and relatively speaking, the brand awareness of this group of people will be stronger.

### 3.2 Innovation orientation versus practicability orientation

With the rapid development of Internet technology and the arrival of the new era, to enhance the company's brand equity and improve its market competitiveness, companies with different positioning will shift the company's competitive strategic focus to different centers. Luxury brands have begun to focus on product innovation to meet the consumer expectations of specific groups of people, while everyday brands still center on production and marketing to achieve the highest cost performance. In the rapid iteration of science and technology, the innovation of new products greatly affects consumers' experience and purchase behavior, thereby affecting the brand equity of enterprises. Pursuing product innovation or cost-effectiveness has varying degrees of impact on different types of products and corporate brand equity. Figure 1 shows the importance of cost-effectiveness. For practical products of everyday brands, when developing new products, if a comprehensive innovation method is adopted, many consumers may not accept them for a while and will not take the risk of buying new products. However, if attention is paid to the practical development of products, most consumers will accept and be willing to buy new products, thus promoting the improvement of brand equity. For luxury brand products, consumers need to perceive the stimulation and enjoyment brought by new products. Thus, designing new products in a comprehensively innovative way can greatly boost a business's brand equity.



**Fig. 1.** A Causal Structure Model of Brand Physical Value and Brand Virtual Value [original by author]

For example, Plano is a high-end men's clothing customization brand jointly created by Sinoer Menswear Co., Ltd. and Italian MIDA Company. It is committed to providing global elites exclusive customization and dressing butler services. As a piece of art worn on the body, haute couture can accurately express the wearer's personality, which is the real tailoring that Plano wants to create. And all this is inseparable from the R&D and design team behind the brand. Plano has an international design and development team with the same customized service level as the big international brands. By contrast, the Chinese brand HLA, also a men's clothing brand, is close to the people. The positioning of HLA's products is fast-moving consumer goods, and it is committed to providing high-quality men's clothing with a sense of design and fashion. Abundance can meet almost all the requirements of men in terms of clothing. The brand advocates the marketing concept of high quality and medium price, quickly occupying the market through the strategy of parity and then optimizing and upgrading products in terms of quality and style. It has a solid customer base and a high market share. The positioning of HLA has filled the gap for ordinary casual men's clothing in the Chinese market. In line with the market's needs, HLA has developed rapidly and has continued to grow since its establishment.

## 4 Conclusion

Through the comparison between luxury brands and everyday brands, it is reasonable to conclude that companies should be aware of the similarities and differences between them to make correct marketing decisions. Using suitable marketing strategies will enhance brand recognition and increase marketing efficiency. Specifically, luxury brands should pay more attention to their innovation and added values, while everyday brands should attach more importance to their practicability and functional values.

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